



Billing and Reimbursement Issues Discussion



Authorities

- Program Authority:
 - Public Law 97-174
 - Public Law 107-314
 - Title 38, Section 8111
 - Title 10, Section 1104
 - DoD Instruction 6010.23
 - Department of Defense and Department of Veterans Affairs Health Care Resource Sharing Program
 - VHA Handbook 1660.4 - VA-DOD Health Care Resources Sharing
 - In addition to other policy directives and instructions

****DoD Instruction 4000.19, Interservice and Intergovernmental Support is NOT to be used.....**



General Principles for Reimbursement



- Methodology will be agreed to by both Departments
- Provide flexibility to take into account local conditions and actual costs (actual = incremental)
- Funds will be credited to the providing facility
- Per NDAA for FY 2003, rates will be standardized; waivers were allowed
- MOU states no GME reimbursement for direct sharing agreements
- JVs have choice to use or not use standard rates
- Standardized methodology does not apply to TRICARE Network contracts



General Principles for Reimbursement



- Waivers allowed if rate does not cover local direct costs and services cannot be purchased at a lower rate or there is a strong desire to continue clinical relationship
- In VA, local direct costs are defined as: variable labor, variable supply and direct fixed costs as determined by Decision Support System (VA's cost accounting system)
- For non-clinical services, conduct local analysis of direct costs



Outpatient Rates CMAC less 10%

- Professional fee plus ancillary and pharmacy
- If no CMAC available...
 - CMS rate
 - Negotiated substitute rate based on incremental cost
- Does not apply to reference lab agreements – use incremental cost instead
- Should be separated from support/tenant services



Inpatient Methodology

- TRICARE rates less 10% x DRG
 - TRICARE methodology for outliers
 - Guidance will address professional services, anesthesiology, mental health, durable medical equipment, transfer patients, ambulance service, waivers, etc.
- Goal is to have guidance ready for HEC approval in April/May



Open Discussion